

Message Text

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ACTION IO-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 OIC-02 L-02 TRSE-00 OMB-01 AF-06

ARA-06 EA-06 EUR-12 NEA-09 /074 W

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R 251345Z FEB 75

FM USMISSION GENEVA

TO SECSTATE WASHDC 945

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E.O. 11652: N/A

TAGS: ILO AORG

SUBJECT: ILO-PROJECT TO ACQUIRE ADDITIONAL LAND FOR POSSIBLE
FUTURE EXPANSION OF BUILDING

1. ILO BUILDING SUBCOMMITTEE MET MONDAY, FEB 24, TO DISCUSS
DOCUMENT GB.195/PFA/BS/1/1: PROPOSED EXCHANGE OF LAND, WHICH
WAS ISSUED ONLY ON FRIDAY,
FEB 21. THIS DOCUMENT NOT YET AVAILABLE
IN WASHINGTON. DIRECTOR GENERAL IS PUSHING FOR GOVERNING BODY
APPROVAL OF PROPOSED EXCHANGE AT THIS SESSION, BUT USDEL AND SOVDEL
BOTH STATED THEY NOT COMPETENT TO GIVE

APPROVAL WITHOUT INSTRUCTIONS
FROM GOVERNMENTS. WORKERS AND EMPLOYERS PREPARED TO APPROVE
IMMEDIATELY.

2. ESSENCE OF DIRECTOR GENERAL'S PROPOSAL IS TO EXCHANGE A PIECE
OF LAND ON LAKESIDE THAT ILO PURCHASED YEARS AGO FOR LAND THAT
ADJOINS THE PRESENT (NEW) ILO SITE IN ORDER TO PROVIDE FOR POSSIBLE
EXPANSION OF THE NEW BUILDING AT SOME TIME IN FUTURE.

3. LAND THAT ILO PROPOSES TO EXCHANGE IS KNOWN AS LES FOUGERES,

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AND IS CONTINUOUS TO OLD ILO PROPERTY THAT WAS GIVEN OVER

TO FIPOI AS PART OF THE PACKAGE DEAL FOR FINANCING THE CONSTRUCTION OF THE NEW BUILDING. THE ILO PURCHASED LES FOUGERES WITH ITS OWN FUNDS, WHEREAS THE PRINCIPAL PIECE OF THE OLD LAKESIDE PROPERTY WAS GIVEN BY THE SWISS. LES FOUGERES WAS NOT PART OF THE NEW BUILDING FINANCIAL PACKAGE, AND ILO STILL HOLDS TITLE TO IT. THERE IS A SMALL BUILDING ON THIS LAND THAT IS USED FOR THE INTERNATIONAL INSTITUTE FOR LABOR STUDIES, WHICH IS SOON TO MOVE INTO THE NEW BUILDING.

4. FOL IS TEXT OF PARA 5 OF RELEVANT ILO DOCUMENT:

QUOTE. FOLLOWING THE DEATH IN 1969 OF THE OWNER OF THE MARTIN PROPERTY, NEGOTIATIONS WERE UNDERTAKEN, AT THE SUGGESTION OF THE DIRECTOR GENERAL, BY THE CANTON OF GENEVA FOR THE ACQUISITION OF THE PART

OF THE PROPERTY WHICH THE HEIRS WERE WILLING TO SELL (HEREINAFTER REFERRED TO, FOR REASONS OF BREVITY, AS "THE MARTIN PROPERTY"), WITH A VIEW TO ITS BEING MADE AVAILABLE TO THE ILO. THE PURCHASE OF THIS PROPERTY BY THE CANTON WAS COMPLETED IN 1972. SINCE THEN, THE DIRECTOR GENERAL HAS HAD

SERIES OF DISCUSSIONS WITH THE REPRESENTATIVES OF THE CANTON OF GENEVA AS A RESULT OF WHICH AGREEMENT HAS NOW BEEN REACHED, SUBJECT TO THE APPROVAL OF THE GOVERNING BODY AND THE CONSEIL D'ETAT OF THE CANTON, ON A TRANSFER TO

THE ILO OF FULL OWNERSHIP OF APPROXIMATELY TWO-THIRDS OF THE OF THE MARTIN PROPERTY (SOME 40,500 SQUARE METERS) TOGETHER WITH SURFACE RIGHTS TO THE REMAINDER (SOME 21,100 SQUARE METERS) IN RETURN FOR THE TRANSFER BY THE ILO TO THE CANTON OF THE LAKESIDE PROPERTY "LES FOUGERES" (13,442 SQUARE METERS) INCLUDING THE VARIOUS BUILDINGS LOCATED ON IT. THE SURFACE RIGHTS WOULD BE GRANTED FOR 99 YEARS AGAINST PAYMENT OF A GROUND RENT FOR THE FIRST 30 YEARS WOULD BE FIXED AT THE NOMINAL RATE OF 100 FRANCS PER YEAR (IN CONSIDERATION LIMITED OFFICIAL USE

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OF THE VALUE OF THE BUILDINGS CEDED WITH THE PROPERTY "LES FOUGERES"); THE RATE TO BE PAYABLE THEREAFTER WOULD BE SUBJECT TO NEGOTIATION AND WOULD TAKE INTO ACCOUNT THE MOST RECENT RATE FIXED FOR A SIMILAR GRANT OF SURFACE RIGHTS TO AN INTERNATIONAL ORGANIZATION. AT THE END OF 99 YEARS, THE ILO WOULD HAVE THE RIGHT TO REQUEST AN EXTENSION. END QUOTE.

5. JOHN RICHES, THE ILO'S BUILDING COORDINATOR, STATED THAT THE REASON FOR NOT PRESENTING THE GOVERNING BODY DOCUMENT EARLIER WAS THAT THE TERMS OF THE DEAL WITH THE CANTON OF GENEVA HAD NOT BEEN FINALIZED UNTIL FEBURARY 12, AND THAT THE NEED FOR RUSHING THE GOVERNING BODY THROUGH THE ITEM IS THAT THERE ARE PRESSURES FROM UNIDENTIFIED SOURCES POSSIBLY TO CHANGE ZONING REGULATIONS AND PUT UP AN APARTMENT BUILDING, OR POSSIBLY FROM SOME OTHER INTERNATIONAL ORGANIZATION.

6. RICHES PRESENTATION WAS GENERALLY UNCONVINCING. THE OFFICE DOCUMENT DID NOT MAP THE PROPERTIES IN QUESTION, AND RICHES WAS NOT PERSUASIVE IN ANSWERING UDEL'S QUESTIONS ABOUT THE POSSIBILITY THAT THE CANTONAL AUTHORITIES, WHO HAVE BEEN NEGOTIATING WITH THE ILO ON THIS PARTICULAR PROPERTY SINCE 1966, MIGHT AT LEAST GRANT THE ILO UNTIL MAY TO REACH A DECISION. IN REPLY TO USDEL'S QUESTION AS TO WHETHER OR NOT THE AGREEMENT CONTAINED AN OPTION FOR PURCHASE WITHIN A PERIOD OF SOME MONTHS, RICHES SAID NO AND DID NOT ELABORATE.

7. USDEL EXPLAINED THAT ANY REAL ESTATE COMMITMENT OF THIS NATURE THAT WOULD BIND THE ORGANIZATION FOR 99 YEARS WOULD NOT RECEIVE US SUPPORT UNTIL WASHINTON SPECIALISTS HAD HAD OPPORTUNITY TO CONSIDER MATTER.

8. DESPITE RICHES' REQUEST FOR ACTION THIS SESSION OF GOVERNING BODY, USDEL BELIEVES WE SHOULD DELAY FORMATION OF US POSITION UNTIL MAY SESSION, GIVING TIME FOR DEPARTMENT'S

EXPERTS TO SATISFY THEMSELVES THAT THE PROPOSED EXCHANGE IS, INDEED, ADVANTAGEOUS, LIMITED OFFICIAL USE

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AND FOR CONSULTATIONS WITH CONGRESS, WHICH WE KNOW IS SENSITIVE ON GENERAL SUBJECT OF INTERNATIONAL ORGANIZATIONS HEADQUARTERS BUILDINGS.

9. REQUEST INSTRUCTIONS. DALE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GENEVA01263
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750066-0786
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750216/aaaaanua.tel
Line Count: 163
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 26 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 JUN 2003 by WorrelSW>; APPROVED <03 NOV 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ILO-PROJECT TO ACQUIRE ADDITIONAL LAND FOR POSSIBLE FUTURE EXPANSION OF BUILDING
TAGS: AORG, ILO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006